

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 94-767-W - ORDER NO. 95-1174
MAY 31, 1995

IN RE: Request of Kiawah Island Utility, Inc.)	ORDER
for Approval to Implement a Regulation)	APPROVING
Requiring Customers with Irrigation)	REGULATION
Meters 1½ Inches or Larger to Install)	
Telemetry Devices on their Meters at)	
Customer Expense.)	

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application filed by Kiawah Island Utility, Inc. (Kiawah or the Company) requesting Commission approval to implement a regulation requiring customers with irrigation meters of 1½ inches or larger to install telemetry devices on their meters at customer expense. The Regulation is as follows:

REGULATION - All water customers who have irrigation meters 1½" or larger, will, at their sole expense, install telemetry devices approved by THE UTILITY, that will interface with the controls located at THE UTILITY. These controls will be used for the purpose of controlling excessive water flow during any emergency which could jeopardize the supply of water to THE UTILITY'S customers. The cost for the installation of the telemetering devices will be borne by the customer. The customer will have thirty (30) days after receiving written notice of this Regulation in which to install the telemetering devices.

The cost of installing the telemetering device is estimated to be \$1,200 for the equipment and labor to have the device installed. There will be an additional \$12.00 per month for the maintenance of the telemetering device, which will be shown on the

customer's utility bill.

The Regulation is filed for approval pursuant to Commission Regulation 103-772.

The Commission's Executive Director instructed the Company to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected area. The purpose of the Notice of Filing was to inform interested parties of the Company's Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. The Commission's Executive Director also instructed the Company to notify irrigation customers with meters of 1½ inches or larger of the proposed regulation. Kiawah complied with these instructions and provided the Commission with proof of publication of the Notice of Filing and Proof of Service. A Petition to Intervene was filed by the Kiawah Companies.

A public hearing was held on May 11, 1995 at 2:30 p.m. in the Commission offices with the Honorable Rudolph Mitchell, presiding. The Applicant, Kiawah was represented by Lucas C. Padgett, Jr., Esquire. The Company presented the testimony of Townsend Clarkson, Frederick C. Bradley, and James Mitchell Bohannon, III. The Intervenor, Kiawah Companies did not appear, but submitted a letter through its attorney Michael A. Molony, dated April 27, 1995, which was read during the course of the hearing. The Commission Staff was represented by F. David Butler, General Counsel. The Staff presented no witnesses.

Townsend Clarkson, Chief Operating Officer of the Kiawah Island Utility, Inc., testified that the utility serves 2,619 customers of which 164 are irrigation customers. Of the 164 irrigation customers, 42 customers have meters of 1½ inches or larger. According to Clarkson, during July 1994, the 42 larger meters used approximately 11.2 million of the 18.7 million gallons of water sold through irrigation meters. On an annual basis, almost 1/3 of the water used on Kiawah Island goes for irrigation purposes. According to Clarkson, on July 20, 1994, there was a residential fire on Kiawah Island that occurred during the early morning hours when the peak irrigation demand occurs. During this time, the Staff from the utility company, as well as other Kiawah personnel proceeded to manually shut off the irrigation systems to enhance the flow and water pressure for use in fighting the fire. According to Clarkson, this manual process was very time consuming, and during this particular emergency, took minutes that were valuable to the fire department in the early stages of the fire.

Soon after the fire, a Joint Ad-Hoc committee was formed to investigate methods and strategies which would improve fire fighting capabilities on Kiawah. Several entities from the Town of Kiawah formed a task force to look closely at the water system, fire fighting tactics, and make recommendations which would help enhance the fire fighting capabilities on Kiawah Island. The consultants recognized the drain on available fire flows from large irrigation users. One of the recommendations of the task force was that the utility company proceed with installation of remotely

operated control valves on irrigation connections of 1½ inches in diameter or larger. It was suggested that the control be automatic and in concert with fire pump operations. This would allow the utility to reduce peak demand flows during fire emergencies resulting in more water being available for fire use.

Subsequent to the task force recommendation, the utility developed a regulation supported by both the Town of Kiawah and the St. Johns Fire Department to require the installation of telemetry devices on all large irrigation customers. This device would automatically shut down those systems during emergency situations.

According to Clarkson, the system would be tied to the fire pump. When the fire pumps were called for, it would automatically shut down the 42 irrigation customers. The fire department would benefit at a minimum by an additional 555 gallons per minute of water by the shut down of these 42 customers. According to Clarkson, once the emergency had passed, the systems would be placed back on line. Clarkson states that the duration of the emergency conditions normally would not last longer than two hours, although this point needed to remain flexible. Startup would be coordinated by the fire chief and the manager of the utility company.

Subsequently, according to Clarkson, Becky Dennis, the utility Company's Manager, met with representatives of Radio Communications of Charleston, Inc., and the landscape technicians responsible for regime irrigations systems. They physically visited each site to determine accessibility for the proposed control system. Several

proposals were received. The last proposal, however, is being recommended to the Commission. The cost per telemetry device, including installation is \$1200.00 for the equipment, plus \$12.00 per month for maintenance of the system. The Company states that the \$1200.00 cost of installation could be financed over a period of 3, 6 or 12 months, instead of requiring up-front payment of \$1200.00. Further, the customers can avoid the \$12.00 monthly maintenance charges by entering into a contract for as needed maintenance, at which time labor and parts would be charged to the customers.

Clarkson states that these 42 major irrigation systems are the cause of diminished fire flows, which would be restored by the telemetering device. Clarkson states his belief that it is a reasonable request for the customers who place the larger burden on the system to bear the cost of controlling their systems during emergency conditions for the good and well being of all. Clarkson states that the Company will not receive for its use any of the monies related to the installation or maintenance fees. All monies will be forwarded directly to Radio Communications of Charleston, Inc.

Frederick C. Bradley also testified. Bradley is an Engineer in the fire protection field. Bradley testified that with regard to the Kiawah Island system, irrigation used by large users put a significant demand on the system because most irrigate at the same time. It was stated that if a fire emergency occurred during these high demand periods, that there may not be enough water for all

needs, and that this was especially true for certain target hazards. Bradley repeated the findings of the task force as stated by Clarkson, and agreed with the need for the regulation and the telemetering device as proposed.

James Mitchell Bohannon presented testimony. Bohannon is also an Engineer, and has worked extensively with the water system on Kiawah Island, dating from the 1970s. Bohannon presented direct data to show that telemetering devices would increase the water for available fire fighting significantly at those target hazard areas pinpointed by the task force. Bohannon testified that the installation of the control valves, as proposed by the regulation on the 42 large irrigation users, is a very simple and effective means to increase the available fire flow, plus the proposal puts the burden of releasing their collectively large system demand on the larger users themselves.

The Kiawah Companies, an Intervenor in the case, did not appear, but filed a letter from Michael A. Molony, Esquire, dated April 27, 1995, which was read at the hearing. The Intervenor made several requests. First, the Kiawah Companies have requested that the Commission give additional consideration in further defining the term "emergency," so as to define it as a fire, or other natural calamity that poses a threat on Kiawah Island. According to Molony, other utilization of the telemetry device should require advance notice to affected customers. Second, according to the Kiawah Companies, the Application for telemetry devices should apply only to irrigation customers and uses. Third,

Molony states that the Kiawah Companies believe that the expense of the telemetry devices should be a system-wide expense applicable to all customers. And fourth, the Kiawah Companies request there be some limit on the time of utilization of the telemetry devices in emergency situations. Molony makes reference to the two hour time period cited in the testimony of the Company as being a reasonable one.

The Commission has examined the evidence in the case, and believes that the regulation, as proposed by the Company, and the terms therein should be approved. The Company has stated good cause and need for the telemetering devices. Clearly, the devices would aid in fighting fires on Kiawah Island, in that they would improve water flow, once the telemetering devices were engaged. The terms and payments as listed by the Company are also fair.

With regard to the request of the Kiawah Companies, first, we believe that "emergency" under the regulation should be defined as a fire or other natural calamity that poses a public threat on Kiawah Island. We believe that some application of the term "emergency" may be preferable above and beyond a fire. Second, we hold that the Application for telemetry devices should apply only to irrigation customers with meters of 1½ inches or larger as stated by the Company. We do disagree, however, with Kiawah Companies belief that telemetry devices should be a system-wide expense applicable to all customers. We believe that the large irrigation customers as listed by the Company are the cost causers in this particular situation, and that the payment should be

limited to those customers and those future irrigation customers with meters of 1½ inches or larger. We also disagree that a time limit should be placed on utilization of the telemetry devices in emergency situations, nor do we believe that advance notice need always be given to customers before non-fire uses of the telemetry devices. Certain emergency situations do not lend themselves well to timing. Some may take more than the two hour period mentioned, some may take less. Therefore, the Commission is hesitant to place a time limit on the utilization of the telemetry devices. Further, the Commission holds that advance notice of non-fire uses of the telemetry devices be given if possible, but that this is not required.

In any event, it is clear to this Commission that the Regulation as proposed by the Company is a reasonable one, and is within the Company's authority to impose under the guides of Regulation 103-772(a). This regulation states:

The utility may impose reasonable restrictions on the outdoor use of water during a period of shortage of supply, excessive demand, or other difficulty which jeopardizes the supply of water to any group of customers.

We do raise one final issue for discussion. Company witnesses stated at the hearing that it would be their intent to cut off a customer's water service pursuant to proper notice if that customer did not follow the requirements of this Order in obtaining the telemetry devices. Regulation 103-736(C) prohibits such action by the Company. The Company must find a different way to enforce this requirement.

IT IS THEREFORE ORDERED THAT:

1. The regulation proposed by Kiawah Island Utility, Inc. for approval of charges for telemetry devices for water irrigation services for those customers with irrigation meters of 1½ inches or larger present and future, is hereby approved under such terms and conditions as stated above.

2. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Deputy Executive Director

(SEAL)